



Sen. James F. Clayborne, Jr.

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1 AMENDMENT TO HOUSE BILL 2984

2 AMENDMENT NO. _____. Amend House Bill 2984 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The School Code is amended by changing Sections
5 1B-8 and 2-3.25f as follows:

6 (105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

7 Sec. 1B-8. There is created in the State Treasury a special
8 fund to be known as the School District Emergency Financial
9 Assistance Fund (the "Fund"). The School District Emergency
10 Financial Assistance Fund shall consist of appropriations,
11 loan repayments, grants from the federal government, and
12 donations from any public or private source. Moneys in the Fund
13 may be appropriated only to the Illinois Finance Authority and
14 the State Board for those purposes authorized under this
15 Article and Articles 1F and 1H and Section 2-3.25f of this
16 Code. The appropriation may be allocated and expended by the

1 State Board for contractual services to provide technical
2 assistance or consultation to school districts to assess their
3 financial condition and to Financial Oversight Panels that
4 petition for emergency financial assistance grants and as
5 necessary to fulfill the goals and obligations of an
6 Intergovernmental Agreement for management oversight under
7 Section 2-3.25f of this Code. The Illinois Finance Authority
8 may provide loans to school districts which are the subject of
9 an approved petition for emergency financial assistance under
10 Section 1B-4, 1F-62, ~~or~~ 1H-65, or 2-3.25f of this Code. Neither
11 the State Board of Education nor the Illinois Finance Authority
12 may collect any fees for providing these services.

13 From the amount allocated to each such school district
14 under this Article the State Board shall identify a sum
15 sufficient to cover all approved costs of the Financial
16 Oversight Panel or Intergovernmental Agreement for management
17 oversight established for the respective school district. If
18 the State Board and State Superintendent of Education have not
19 approved emergency financial assistance in conjunction with
20 the appointment of a Financial Oversight Panel or the entry
21 into an Intergovernmental Agreement for management oversight,
22 the ~~Panel's~~ approved costs shall be paid from deductions from
23 the district's general State aid.

24 The Financial Oversight Panel or a school board that has
25 entered into an Intergovernmental Agreement for management
26 oversight may prepare and file with the State Superintendent a

1 proposal for emergency financial assistance for the school
2 district and for its operations budget. No expenditures from
3 the Fund shall be authorized by the State Superintendent until
4 he or she has approved the request of the Panel or the school
5 board, either as submitted or in such lesser amount determined
6 by the State Superintendent.

7 The maximum amount of an emergency financial assistance
8 loan which may be allocated to any school district under this
9 Article, including moneys necessary for the operations of any
10 Financial Oversight ~~the~~ Panel, shall not exceed \$4,000 times
11 the number of pupils enrolled in the school district during the
12 school year ending June 30 prior to the date of approval by the
13 State Board of the petition for emergency financial assistance,
14 as certified to the school ~~local~~ board or ~~and~~ the Panel or both
15 by the State Superintendent. An emergency financial assistance
16 grant shall not exceed \$2,000 ~~\$1,000~~ times the number of such
17 pupils. A school district may receive both a loan and a grant.

18 The payment of an emergency State financial assistance
19 grant or loan shall be subject to appropriation by the General
20 Assembly. Payment of the emergency State financial assistance
21 loan is subject to the applicable provisions of the Illinois
22 Finance Authority Act. Emergency State financial assistance
23 allocated and paid to a school district under this Article may
24 be applied to any fund or funds from which the local board of
25 education of that district is authorized to make expenditures
26 by law.

1 Any emergency financial assistance grant proposed by the
2 Financial Oversight Panel or the school board that has entered
3 into an Intergovernmental Agreement for management oversight
4 and approved by the State Superintendent may be paid in its
5 entirety during the initial year of the Panel's existence or
6 the term of the Intergovernmental Agreement for management
7 oversight or spread in equal or declining amounts over a period
8 of years not to exceed the period of the Panel's existence or
9 the term of the Intergovernmental Agreement for management
10 oversight. An emergency financial assistance loan proposed by
11 the Financial Oversight Panel or the school board that has
12 entered into an Intergovernmental Agreement for management
13 oversight and approved by the Illinois Finance Authority may be
14 paid in its entirety during the initial year of the Panel's
15 existence or the term of the Intergovernmental Agreement for
16 management oversight or spread in equal or declining amounts
17 over a period of years not to exceed the period of the Panel's
18 existence or the term of the Intergovernmental Agreement for
19 management oversight. All loans made by the Illinois Finance
20 Authority for a school district shall be required to be repaid,
21 with simple interest over the term of the loan at a rate equal
22 to 50% of the one-year Constant Maturity Treasury (CMT) yield
23 as last published by the Board of Governors of the Federal
24 Reserve System before the date on which the district's loan is
25 approved by the Illinois Finance Authority, not later than the
26 date the Financial Oversight Panel ceases to exist or the

1 expiration of the Intergovernmental Agreement for management
2 oversight. The Panel or the school board that has entered into
3 an Intergovernmental Agreement for management oversight shall
4 establish and the Illinois Finance Authority shall approve the
5 terms and conditions, including the schedule, of repayments.
6 The schedule shall provide for repayments commencing July 1 of
7 each year or upon each fiscal year's receipt of moneys from a
8 tax levy for emergency financial assistance. Repayment shall be
9 incorporated into the annual budget of the school district and
10 may be made from any fund or funds of the district in which
11 there are moneys available. An emergency financial assistance
12 loan to the Panel or school district shall not be considered
13 part of the calculation of a school district's debt for
14 purposes of the limitation specified in Section 19-1 of this
15 Code. Default on repayment is subject to the Illinois Grant
16 Funds Recovery Act. When moneys are repaid as provided herein
17 they shall not be made available to the school ~~local~~ board for
18 further use as emergency financial assistance under this
19 Article at any time thereafter. All repayments required to be
20 made by a school district shall be received by the State Board
21 and deposited in the School District Emergency Financial
22 Assistance Fund.

23 In establishing the terms and conditions for the repayment
24 obligation of the school district, the Panel or the school
25 board that has entered into an Intergovernmental Agreement for
26 management oversight shall annually determine whether a

1 separate local property tax levy is required. The school board
2 of any school district with a tax rate for educational purposes
3 for the prior year of less than 120% of the maximum rate for
4 educational purposes authorized by Section 17-2 shall provide
5 for a separate tax levy for emergency financial assistance
6 repayment purposes. Such tax levy shall not be subject to
7 referendum approval. The amount of the levy shall be equal to
8 the amount necessary to meet the annual repayment obligations
9 of the school district as established by the Panel or the
10 school board that has entered into an Intergovernmental
11 Agreement for management oversight, or 20% of the amount levied
12 for educational purposes for the prior year, whichever is less.
13 However, no school district shall be required to levy the tax
14 if the district's operating tax rate as determined under
15 Section 18-8 or 18-8.05 exceeds 200% of the district's tax rate
16 for educational purposes for the prior year.

17 (Source: P.A. 97-429, eff. 8-16-11.)

18 (105 ILCS 5/2-3.25f) (from Ch. 122, par. 2-3.25f)

19 Sec. 2-3.25f. State interventions.

20 (a) The State Board of Education shall provide technical
21 assistance to assist with the development and implementation of
22 School and District Improvement Plans.

23 Schools or school districts that fail to make reasonable
24 efforts to implement an approved Improvement Plan may suffer
25 loss of State funds by school district, attendance center, or

1 program as the State Board of Education deems appropriate.

2 (a-5) In this subsection (a-5), "school" means any of the
3 following named public schools or their successor name:

4 (1) Dirksen Middle School in Dolton School District
5 149.

6 (2) Diekman Elementary School in Dolton School
7 District 149.

8 (3) Caroline Sibley Elementary School in Dolton School
9 District 149.

10 (4) Berger-Vandenberg Elementary School in Dolton
11 School District 149.

12 (5) Carol Moseley Braun School in Dolton School
13 District 149.

14 (6) New Beginnings Learning Academy in Dolton School
15 District 149.

16 (7) McKinley Junior High School in South Holland School
17 District 150.

18 (8) Greenwood Elementary School in South Holland
19 School District 150.

20 (9) McKinley Elementary School in South Holland School
21 District 150.

22 (10) Eisenhower School in South Holland School
23 District 151.

24 (11) Madison School in South Holland School District
25 151.

26 (12) Taft School in South Holland School District 151.

1 (13) Wolcott School in Thornton School District 154.

2 (14) Memorial Junior High School in Lansing School
3 District 158.

4 (15) Oak Glen Elementary School in Lansing School
5 District 158.

6 (16) Lester Crawl Primary Center in Lansing School
7 District 158.

8 (17) Brookwood Junior High School in Brookwood School
9 District 167.

10 (18) Brookwood Middle School in Brookwood School
11 District 167.

12 (19) Hickory Bend Elementary School in Brookwood
13 School District 167.

14 (20) Medgar Evers Primary Academic Center in Ford
15 Heights School District 169.

16 (21) Nathan Hale Elementary School in Sunnybrook
17 School District 171.

18 (22) Ira F. Aldridge Elementary School in City of
19 Chicago School District 299.

20 (23) William E.B. DuBois Elementary School in City of
21 Chicago School District 299.

22 If, after 2 years following its placement on academic watch
23 status, a school remains on academic watch status, then,
24 subject to federal appropriation money being available, the
25 State Board of Education shall allow the school board to opt in
26 the process of operating that school on a pilot full-year

1 school plan approved by the State Board of Education upon
2 expiration of its teachers' current collective bargaining
3 agreement until the expiration of the next collective
4 bargaining agreement. A school board must notify the State
5 Board of Education of its intent to opt in the process of
6 operating a school on a pilot full-year school plan.

7 (b) In addition, if after 3 years following its placement
8 on academic watch status a school district or school remains on
9 academic watch status, the State Board of Education shall take
10 one of the following actions for the district or school:

11 (1) The State Board of Education may authorize the
12 State Superintendent of Education to direct the regional
13 superintendent of schools to remove school board members
14 pursuant to Section 3-14.28 of this Code. Prior to such
15 direction the State Board of Education shall permit members
16 of the local board of education to present written and oral
17 comments to the State Board of Education. The State Board
18 of Education may direct the State Superintendent of
19 Education to appoint an Independent Authority that shall
20 exercise such powers and duties as may be necessary to
21 operate a school or school district for purposes of
22 improving pupil performance and school improvement. The
23 State Superintendent of Education shall designate one
24 member of the Independent Authority to serve as chairman.
25 The Independent Authority shall serve for a period of time
26 specified by the State Board of Education upon the

1 recommendation of the State Superintendent of Education.

2 (2) The State Board of Education may (A) change the
3 recognition status of the school district or school to
4 nonrecognized, or (B) authorize the State Superintendent
5 of Education to direct the reassignment of pupils or direct
6 the reassignment or replacement of school district
7 personnel who are relevant to the failure to meet adequate
8 yearly progress criteria. If a school district is
9 nonrecognized in its entirety, it shall automatically be
10 dissolved on July 1 following that nonrecognition and its
11 territory realigned with another school district or
12 districts by the regional board of school trustees in
13 accordance with the procedures set forth in Section 7-11 of
14 the School Code. The effective date of the nonrecognition
15 of a school shall be July 1 following the nonrecognition.

16 (3) The State Board of Education may enter into an
17 Intergovernmental Agreement, pursuant to the
18 Intergovernmental Cooperation Act and the Constitution of
19 the State of Illinois, with the school board for the school
20 district or school for management oversight of the planning
21 and operations of the school district or school by the
22 State Board of Education. A school board that enters into
23 an Intergovernmental Agreement with the State Board of
24 Education under this paragraph (3) may prepare and file
25 with the State Superintendent of Education a proposal for
26 emergency financial assistance for the school district in

1 accordance with Section 1B-8 of this Code. A school
2 district may receive both a loan and a grant.

3 (c) All federal requirements apply to schools and school
4 districts utilizing federal funds under Title I, Part A of the
5 federal Elementary and Secondary Education Act of 1965.

6 (Source: P.A. 97-370, eff. 1-1-12.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.".